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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/750,451	12/31/2003	Ross Koningstein	Google-41 (GP-099-00-US)	4989
26479	7590	09/14/2005	EXAMINER	
STRAUB & POKOTYLO 620 TINTON AVENUE BLDG. B, 2ND FLOOR TINTON FALLS, NJ 07724			BEKERMANN, MICHAEL	
			ART UNIT	PAPER NUMBER
			3622	

DATE MAILED: 09/14/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

10/750,451

Applicant(s)

KONINGSTEIN ET AL.

Examiner

Michael Bekerman

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☐ Responsive to communication(s) filed on ____.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-85 is/are pending in the application.
- 4a) Of the above claim(s) ____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) ____ is/are allowed.
- 6) ☒ Claim(s) 1-85 is/are rejected.
- 7) ☐ Claim(s) ____ is/are objected to.
- 8) ☐ Claim(s) ____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 12/31/2003 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. ____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date ____.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. ____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: ____.

DETAILED ACTION

Drawings

1. The drawings are objected to as failing to comply with 37 CFR 1.84(p)(5) because they do not include the following reference sign(s) mentioned in the description: page 19, line 19, reference 476. Corrected drawing sheets in compliance with 37 CFR 1.121(d) are required in reply to the Office action to avoid abandonment of the application. Any amended replacement drawing sheet should include all of the figures appearing on the immediate prior version of the sheet, even if only one figure is being amended. Each drawing sheet submitted after the filing date of an application must be labeled in the top margin as either "Replacement Sheet" or "New Sheet" pursuant to 37 CFR 1.121(d). If the changes are not accepted by the examiner, the applicant will be notified and informed of any required corrective action in the next Office action. The objection to the drawings will not be held in abeyance.

2. The drawings are objected to as failing to comply with 37 CFR 1.84(p)(5) because they include the following reference character(s) not mentioned in the description: figure 6, reference 685 and figure 8, reference 840. Corrected drawing sheets in compliance with 37 CFR 1.121(d), or amendment to the specification to add the reference character(s) in the description in compliance with 37 CFR 1.121(b) are required in reply to the Office action to avoid abandonment of the application. Any amended replacement drawing sheet should include all of the figures appearing on the immediate prior version of the sheet, even if only one figure is being amended. Each drawing sheet submitted after the filing date of an application must be labeled in the top

margin as either "Replacement Sheet" or "New Sheet" pursuant to 37 CFR 1.121(d). If the changes are not accepted by the examiner, the applicant will be notified and informed of any required corrective action in the next Office action. The objection to the drawings will not be held in abeyance.

Claim Objections

3. Claim 74 is objected to because of the following informalities: Claim 74 mentions the apparatus in claim 74. The examiner assumes the applicant meant for the apparatus of claim 74 to actually be the apparatus of claim 73. Appropriate correction is required.

Claim Rejections - 35 USC § 101

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-85 are rejected under 35 U.S.C. 101 because the claims are directed to non-statutory subject matter; the claims are not "within the technological arts." The inclusion of a computer to input, transmit or output data is taken as a trivial recitation of technology which is not enough to put the claims within the technological arts. Applicant must include a non-trivial computer limitation (e.g. a calculation) in the body of the claims. See below for the basis for this rejection.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See

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In re Musgrave, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. In re *Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

Claim Rejections - 35 USC § 102

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section

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351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

6. Claims 1, 3-10, 14, 16-23, 27, 29-36, 40-42, 44-51, 55, 57-64, 68, 70-77, and 81-85 are rejected under 35 U.S.C. 102(e) as being anticipated by Paine (U.S. Pub. No. 2003/0055816). Paine shows a method and apparatus for recommending search terms to an advertiser that includes all of the limitations recited in the above claims.

7. Referring to claims 1, 14, 42, and 55, Paine teaches a method and apparatus for determining one or more ad targeting keywords comprising accepting at least one category, determining one or more keywords using the accepted at least one category, providing the determined one or more keywords as suggested targeting keywords to an advertiser, accepting advertiser input in response to the suggested targeting keywords, and determining whether or not to provide at least some of the determined one or more keywords as targeting keywords for an ad using the accepted advertiser input (Paragraph 0107, Sentence 1).

8. Referring to claims 27, 40, 41, 68, and 81-85, Paine teaches a method and apparatus for generating one or more keywords as candidates for use as ad targeting keywords, comprising the accepting of ad information, the determining of one or more categories using the accepted ad information (Abstract, Sentences 1-3), the recommending of at least one of the one or more of the categories to an advertiser, and the accepting of feedback with respect to the recommended one or more categories (Paragraph 0107, Sentence 1). The search terms referred to by Paine are viewed as serving constraints for the advertisements. By comparing an advertiser to other similar

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advertisers (Abstract, Sentence 3), the system would have to determine the initial advertiser's product category.

9. Referring to claims 3, 4, 16, 17, 29, 30, 44, 45, 57, 58, 70, and 71, Paine teaches the determining of at least one category using ad creative information and information from a landing webpage of the advertiser (Abstract, Sentence 2). Examiner considers an advertiser website to contain ad creative information.

10. Referring to claims 5, 18, 31, 46, 59, and 72, Paine teaches inverted an keyword index in which categories are provided as lookup keys to keywords (Paragraph 0080, Sentences 1-4). Examiner considers each of Paine's subaccounts to be a different category.

11. Referring to claims 6, 19, 32, 47, 60, and 73, Paine teaches the performing of qualification testing of the determined one or more keywords to determine if a keyword is qualified or unqualified for use as an ad targeting keyword and the providing of those qualified keywords as ad targeting keyword (Abstract, Sentence 3).

12. Referring to claims 7-10, 20-23, 33-36, 48-51, 61-64, and 74-77, Paine teaches the tracking of the performance of the ads served using an ad targeting keyword. Paine's tracking is performed in general as well as across specific categories, including the accepted category (Paragraph 0087, Sentences 5-7).

Claim Rejections - 35 USC § 103

13. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

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(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

14. Claims 2, 11, 15, 24, 28, 37, 43, 52, 56, 65, 69, and 78 are rejected under 35

U.S.C. 103(a) as being unpatentable over Paine (U.S. Pub. No. 2003/0055816).

15. Referring to claims 11, 24, 37, 52, 65, and 78, Paine teaches a system for recommending ad targeting keywords for ads displayed on a search site. Paine doesn't go into detail about the type of space that will be used for the ad on the search site.

Official notice is taken that it is well known when a new advertisement is added to a search page, it will be added to an ad spot that would otherwise be unused. It would have been obvious to one having ordinary skill in the art at the time the invention was made to specify an advertisement as being served on a portion of the webpage that would otherwise be unused. This would keep the operator of the search site from overlapping other information with an advertisement.

16. Referring to claims 2, 15, 28, 43, 56, and 69, Paine's invention doesn't teach a tool that keeps track of negative ad targeting keywords. Paine does teach that it is well known to have a tool to keep track of two lists, a list of good words for an advertiser's site and a list of negative keywords having no relation to the advertisers site or content (Paragraph 0008, Sentence 2). It would have been obvious to one having ordinary skill in the art at the time the invention was made to include negative keywords into the system of Paine. This would allow more accuracy in relation to relevant keywords.

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17. Claims 12, 13, 25, 26, 38, 39, 53, 54, 66, 67, 79, and 80 are rejected under 35 U.S.C. 103(a) as being unpatentable over Paine (U.S. Pub. No. 2003/0055816) in view of Kurtzman (U.S. Patent No. 6,144,944). Paine teaches the ordering of advertisements based on the amount paid by the advertiser, not on the amount left in unused inventory. Kurtzman teaches an ad display system that shows an advertisement based on inventory levels. It would have been obvious to one having ordinary skill in the art at the time the invention was made to include the ad display system based on inventory of Kurtzman in the method and apparatus of Paine. This would allow all advertisers to receive the same exposure for their ad.

18. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

The following references are cited to further show the state of the art with respect to keywords used in advertisement searches:

U.S. Pub. No. 2005/0144067 to Farahat

U.S. Pub. No. 2005/0076017 to Rein

The following references are cited to further show the state of the art with respect to search result advertisement ranking.

U.S. Pub. No. 2003/0033292 to Meisel


U.S. Pub. No. 2001/0051911 to Marks

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Michael Bekerman whose telephone number is (571) 272-3256. The examiner can normally be reached on Monday - Friday, 8:30 - 5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric W. Stamber can be reached on (571) 272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

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ERIC W. STAMBER
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3600